GOVERNMENT OF INDIA
POWER
LOK SABHA

UNSTARRED QUESTION NO:6539
ANSWERED ON:08.05.2000
ESCROW COVER TO MANGALORE POWER COMPANY
A. VENKATESH NAIK

Will the Minister of POWER be pleased to state:

(a) whether Karnataka Government has not accorded an escrow cover to Mangalore Power Company which is setting up a 1000 MW thermal power project in the West Coast;

(b) : if so, the reasons therefor;

(c) : whether the Industrial Credit and Investment Corporation of India (ICICI), has ruled out funds for the project without escrow cover; and

(d) : if so, the action being taken by the Union Government in consultation with State Government in this regard?

Answer

THE MINISTER OF STATE IN THE MINISTRY OF POWER

(SHRIMATI JAYAWANTI MEHTA)

(a) : Karnataka Government has not so far extended escrow cover to Mangalore Power Company for the thermal project (1000 MW).

(b) : This is in keeping with recommendations of the High Level Committee constituted by Government of Karnataka during December, 1999, which were subsequently accepted by the Government of Karnataka. The Committee had recommended that the Karnataka Power Transmission Corporation Limited (KPTCL) has no escrow available and therefore it would not be possible to extend escrow cover to Independent Power Producers.

(c) : ICICI are prepared to consider financing the project if a satisfactory alternative security structure is available for the project.

(d) : Does not arise.